



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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August 26, 2021

To: Supervisor Hilda L. Solis, Chair
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From: Bobby D. Cagle
Director

BUILDING BRIDGES FOSTER FAMILY AGENCY FISCAL COMPLIANCE ASSESSMENT

REVIEW OF REPORT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of Building Bridges (the Contractor) in March 2021. The Contractor is a Foster Family Agency (FFA) program and is headquartered in San Bernardino County.

Key Outcomes

Table with 4 rows: NUMBER OF PRIORITY FINDINGS, PRIORITY 1 (2), PRIORITY 2 (1), PRIORITY 3 (0)

CAD conducted a virtual Fiscal Compliance Assessment review of the Contractor's financial records, which consisted of: financial statements; bank statements; check register(s); and personnel files. The review focused on five key areas of internal controls to determine their compliance with the FFA contract: Financial Overview (financial records, bank statements); Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

CAD identified potential internal control weaknesses in the following areas:

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Priority 1

- Cash/Expenditures
  - Checks payable to the Executive Director, who is also one of the check signors, were signed by him only.
- Payroll and Personnel
  - The Contractor has compensated some employees as an independent contractor for providing initial home study services.

Priority 2

- Cash/Expenditures
  - Outstanding items on the bank reconciliations were not followed timely. Six checks dated 06/05/19, 01/02/20, 02/14/20, 06/19/20, 06/22/20 and 06/29/20 were outstanding as of 01/31/21, which is longer than six months.

On May 11, 2021, the DCFS CAD Financial Specialist IV held an exit conference with the Contractor's Executive Director, Accounting Director and Accountant. The Contractor's representatives agreed with the review findings and recommendations, and were receptive to implementing systemic changes to improve compliance with regulatory standards. The Contractor agreed to address the noted potential internal control weaknesses in a Fiscal Corrective Action Plan (FCAP).

The Contractor provided the attached approved FCAP addressing the recommendations noted in this report.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 351-5530.

BDC:KDR  
LTI:hk

Attachments

c: Fesia Davenport, Chief Executive Officer  
Arlene Barrera, Auditor-Controller  
Adolfo Gonzales, Chief Probation Officer  
Brandon Nichols, Chief Deputy Probation Officer  
Public Information Office  
Audit Committee  
Robert Mathias, Executive Director, Building Bridges Foster Family Agency  
Kellee Coleman, Regional Manager, Community Care Licensing Division  
Monique Marshall-Turner, Regional Manager, Community Care Licensing Division



# **BUILDING BRIDGES FOSTER FAMILY AGENCY**

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## **Financial Corrective Action Plan ("FCAP")**

June 1, 2021

Dear Ms. Helga Kiaian (Contracts Administration Division- Fiscal Compliance Unit):

Below you will find the FCAP that Building Bridges Foster Family Agency ("BBFFA") has prepared in response to the findings of its annual Fiscal Compliance Review.

If you have any questions in regards to BBFFA's FCAP, please feel free to reach out me at (909) 233-7265, or by email at bob.aguilar@buildingbridgesffa.com.

### **I. Question #18 Finding**

#### **Finding:**

Check payable to Executive Director, who is also one of the check signors, are signed by him only.

#### **Corrective Action Plan:**

Effective May 10, 2021, all checks are payable to the Executive Director will be signed by another permitted signor. BBFFA currently has another Board member who will be sign all checks payable to the Executive Director. Moreover, BBFFA will be adding its Accounting Director as a signor to the account, with the limitation that he may only sign checks payable to the Executive Director.

### **II. Question #26 Finding**

**Finding:** Outstanding items on the bank reconciliations were not followed timely. Six checks dated 06/05/2019, 01/02/2020, 02/14/2020, 06/19/2020, and 06/29/2020 were outstanding as of 01/31/2021-longer than six months.

**Corrective Action Plan:** Effective May 10, 2021, BBFFA has set forth and will follow the following policy regarding outstanding items and bank reconciliations:

#### **"OUTSTANDING CHECK POLICY**

*Purpose.*

The purpose of the BBFFA Outstanding Check Policy is to ensure accurate cash reporting and management.

*Guidelines.*

When a check is outstanding for more than three (3) months the Accountant, or his/her designee, shall notify the payee by either email, phone call or first-class mail that the check was issued and is still outstanding. The letter shall indicate the check number, check date, and the amount of the outstanding check. The payee will have 30 days to claim the outstanding check by depositing or requesting a replacement check.

At least once a month , the Accountant, or his/her designee, shall prepare a listing of all checks that have been outstanding for more than three (3) months in which notification was sent to the payee and the check was not claimed. A journal entry will be done to deposit the funds into the BBFFA unclaimed liability account.

Once a year, the Accounting Director will review the listing of all checks that have been outstanding and deposited into the unclaimed liability account to determine which outstanding checks will be sent (checks dated three (3) years or older) to the State of California, Unclaimed Property Division, per State Statue.”

**III. Question #35 Finding**

**Finding:** The contractor compensated some employees as an independent contractor for providing initial home study services.

**Corrective Action Plan:** Effective June 1, 2021, has implemented a new policy for such services to be paid through payroll as an additional compensation.



**Robert D. Mathias, JD**  
Executive Director  
Building Bridges Foster Family Agency